

## Message Text

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12

ACTION TRSE-00

INFO OCT-01 EUR-25 ISO-00 COME-00 EB-11 L-03 RSC-01 DRC-01

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R 120624Z DEC 73

FM AMEMBASSY WARSAW

TO SECSTATE WASHDC 6943

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E.O. 11652: N/A

TAGS: EFIN, EGEN, US, PL

SUBJECT: US-POLISH TAX CONVENTION

PASS TREASURY FOR DEPUTY TO THE ASST SECRETARY NATHAN GORDON

COMMERCE FOR BEWT: LOTARSKI

1. NEW POLISH REGULATIONS ON TAXATION OF PERSONS LIVING OR HEADQUARTERED ABROAD WHO HAVE INCOME FROM POLISH SOURCES WERE PUBLISHED IN JOURNAL OF LAWS (DZIENNIK USTAW), NUMBER 46, NOVEMBER 21, 1973, ITEM 274, EFFECTIVE FROM DATE OF PUBLICATION. TO AVOID APPLYING NEW REGULATIONS TO US PHYSICAL AND LEGAL PERSONS, POLISH MINISTRY OF FINANCE PROPOSES THAT US AND POLISH TAX AUTHORITIES AGREE TO ABIDE BY PRINCIPLES OF RECENTLY NEGOTIATED US-POLISH TAX CONVENTION WITHOUT WAITING FOR SIGNATURE OR ENTRY INTO FORCE. POLISH TAX OFFICIALS STATE THAT SIMILAR "GENTLEMEN'S AGREEMENT" WAS REACHED WITH WEST GERMAN AUTHORITIES. (FYI: WEST GERMAN EMBASSY OFFICER HAS CONFIRMED THIS. POLISH-GERMAN CONVENTION HAS BEEN SIGNED BUT NOT YET RATIFIED BY GERMAN SIDE. END FYI)

2. IN PERIOD SINCE CONCLUSION OF US-POLISH TAX NEGOTIATIONS IN WASHINGTON, POLISH TAX OFFICIALS HAVE STATED IN CONVERSATIONS WITH US BUSINESSMEN AND WITH EMBASSY OFFICERS THAT US OFFICES IN POLAND WHICH DO NOT ENJOY LIMITED OFFICIAL USE

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COMMERCIAL RIGHTS (I.E. WHICH ARE NOT EMPOWERED BY THEIR

PARENT COMPANIES TO SIGN CONTRACTS) WILL GENERALLY BE REGARDED AS FIXED PLACES OF BUSINESS NOT CONSTITUTING PERMANENT ESTABLISHMENTS UNDER ARTICLE 6, PARA (3) (E) OF THE DRAFT CONVENTION. THIS INTERPRETATION WILL EXEMPT SUCH US OFFICES IN POLAND AS THOSE MAINTAINED BY IBM, SINGER CORP., AND CONTROL DATA CORPORATION FROM INCOME TAXES IMPOSED BY NEW REGULATIONS. FURTHER, POLISH REGULATIONS IMPOSE TAXES ON INCOME FROM CONSTRUCTION ACTIVITY IN POLAND ENDURING MORE THAN SIX MONTHS, INSTEAD OF 18 MONTHS SPECIFIED IN DRAFT CONVENTION.

3. POLISH TAX AUTHORITIES ALSO NOT THAT ACCEPTANCE OF CONVENTION BY US AUTHORITIES WILL IMPROVE TAX TREATMENT OF POLISH ARTISTS AND PERFORMERS IN THE US FOR LESS THAN 183 DAYS.

4. ACTIONS REQUESTED: EMBASSY AGREES THAT GENTLEMEN'S AGREEMENT TO APPLY DRAFT CONVENTION NOW WOULD BE IN INTEREST OF BOTH SIDES, BUT WE DO NOT KNOW WHETHER IT IS LEGALLY POSSIBLE FOR US SIDE TO ENTER INTO SUCH AN AGREEMENT. POLISH AUTHORITIES ASSURE US NO LEGAL OBSTACLES EXIST ON POLISH SIDE. WE REQUEST THE GUIDANCE OF DEPARTMENTS OF STATE AND TREASURY IN RESPONDING TO POLISH INITIATIVE. WE REQUIRE SUCH GUIDANCE AS WELL TO ASSIST US IN ADVISING US FIRMS OF THEIR TAX LIABILITY IN POLAND.

5. ENGLISH TRANSLATION OF NEW REGULATIONS NOW IN PREPARATION AND WILL BE FURNISHED WHEN AVAILABLE.  
DAVIS

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TAX AGREEMENTS, INCOME TAXES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 12 DEC 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** garlanwa  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
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